

European Investment Bank confirms backing for Colombo water network

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The European Investment Bank will provide EUR 50 million to support improvement and expansion of sewage networks across the Sri Lankan capital Colombo. The new loan will help Colombo Municipal Council to achieve its goal of providing full sanitation coverage to benefit people living and working in the greater Colombo area. The new EIB loan is European Investment Bank's first ever support for water investment in Sri Lanka and the first loan for public sector investment agreed with the new post civil-war government. "New support from the European Investment Bank will help unlock essential new investment to improve sanitation in Colombo. I look forward to strengthening cooperation between the EIB and Sri Lanka in the years to come," confirmed the Hon. Ravi Karunanayake, M.P., Minister of Finance of Sri Lanka following his meeting in Brussels with senior European Investment Bank officials responsible for lending in South Asia. "Increased access to sanitation to be achieved by this project will improve the lives of thousands of people living in Colombo and contribute to achievement of sustainable development goals in Sri Lanka. The European Investment Bank is pleased to be working closely with partners in Sri Lanka to ensure an environmentally sustainable future for the country's capital and is grateful for the excellent cooperation with the Asian Development Bank in our first joint support in the country. The fruitful discussions with Ministers Karunanayake and Samarawickrama have outlined how the EIB's global experience can support new investment to improve lives and enhance opportunities in Sri Lanka," said Andrew McDowell, European Investment Bank Vice President. The 25 year long-term was formally agreed at a signature ceremony in Brussels by Hon. Ravi Karunanayake, M.P., Minister of Finance of Sri Lanka and Hon. Malik Samarawickrama, M.P., Minister of Development Strategies and International Trade of Sri Lanka and Andrew McDowell, European Investment Bank Vice President responsible for lending operations in South Asia. The new loan represented the EIB's fifth sovereign loan in the country.

The existing water supply and sewage network in Colombo was built a hundred years ago and is not adequate for the city's needs. Once complete the upgraded water network will enable clean water to be supplied 24 hours a day and seven days a week, compared to the currently heavily restricted service. The new water investment programme will include provision of a new sewage network in currently un-served areas of Kirillopone. Under the initiative a new wastewater treatment facility will also be built to reduce pollution at the Wellawata sea outfall. The new European Investment Bank loan to the Government of Sri Lanka will be used to finance investment works being undertaken by the Colombo Municipal Council. The Asian Development Bank will also support the water investment project and this new initiative marks the first time that the European Investment Bank has financed a project alongside another International Financial Institution in Sri Lanka.

The European Investment Bank has supported investment in Sri Lanka since 2002 including backing climate related investment, private companies and post-tsunami recovery.

EIB - photos Martine LB, janvier 2017